

**PUBLIC CHAPTER NO. 522****SENATE BILL NO. 445****By Burchett****Substituted for: House Bill No. 454****By Hackworth**

AN ACT to amend Tennessee Code Annotated, Section 50-6-204, relative to the Comprehensive Medical Fee Schedule.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-6-204, is amended by designating the current language of subdivision (i)(7) as subdivision (i)(7)(A) and by inserting the following new subdivisions (i)(7)(B), (C) and (D):

(B) For purposes of this subsection, a "contracting agent" is defined as any person that is in direct privity of contract with a medical provider to reimburse the medical provider for medical services provided to an injured worker pursuant to this chapter at rates other than those provided under the workers' compensation medical fee schedule. Nothing contained within this subsection shall be construed to permit the creation of preferred provider organization networks that permit payments above the medical fee schedule adopted by the department.

(C) Beginning January 1, 2008, every contracting agent that sells, leases, assigns, transfers, or conveys its list of contracted health care providers and their contracted reimbursement rates shall, upon entering or renewing a provider contract, do all of the following:

(i) Disclose to the provider whether the list of contracted providers may be sold, leased, transferred, or conveyed to other payors or agents including workers' compensation insurers or self insureds. Such disclosure of the ability to sell, lease, transfer or convey the list or network of providers shall be in a section of a contract titled "assignment" or "assignability" or similar title;

(ii) Disclose whether payors to which the list of contracted providers may be sold, leased, transferred, or conveyed may be permitted to pay a provider's contracted rate if less than the workers' compensation fee schedule. Such disclosure of the ability to pay a provider's contracted rate if less than the workers' compensation fee schedule shall be in a section of a contract titled "assignment" or "assignability" or similar title;

(iii) Allow providers, upon the initial signing or renewal of a provider contract, to decline to participate in networks solely to serve workers' compensation payors that are sold, leased, transferred, or conveyed to workers' compensation payors; and,

(iv) Maintain a webpage that contains a complete listing of customers to whom the network is sold, leased, transferred or conveyed that is accessible to all contracted providers and updated at least twice a year, as well as maintain a toll-free telephone number accessible to all contracted providers whereby providers may access workers' compensation payor summary information and a list of lessees of the network.

(D) Beginning January 1, 2008:

(i) The workers' compensation payor's explanation of benefits or explanation of review shall identify the name of the network that has a written agreement signed by the provider whereby the workers' compensation payor is entitled, directly or indirectly, to pay a preferred rate for the services rendered.

(ii) A workers' compensation payor shall demonstrate that it is entitled to pay a contracted rate within thirty (30) business days of receipt of a written request from a provider who has received a claim payment from the workers' compensation payor. The provider shall include in the request a statement explaining why the payment is not at the correct contracted rate for the services provided. The failure of the provider to include a statement shall relieve the workers' compensation payor from the responsibility of demonstrating that it was entitled to pay the disputed contracted rate. A workers' compensation payor shall be deemed to have demonstrated that it is entitled to pay a contracted rate if it identifies the contracting agent who has contracted with the medical provider to pay the reimbursement at the contracted rate.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: June 7, 2007**



RON RAMSEY  
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 26th day of June 2007



PHIL BREDESEN, GOVERNOR